



State of Utah

Department of  
Natural Resources

Division of  
Oil, Gas & Mining

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January 29, 2004

TO: Minerals File

FROM: D. Wayne Hedberg, Permit Supervisor 

SUBJECT: Reclamation Plan Discussions for Forfeited Bond, Magnesium Corp of America (Magcorp), Knolls Solar Ponds Project, M/045/022, Tooele County, Utah

Date/Time of Meeting: January 29, 2004 / 2:00 – 3:45 p.m.

Location of Meeting: BLM - Salt Lake Field Office

Participants: Glen Carpenter, Mike Nelson, Mike Ford, Stan Perkes –  
BLM; Doug Jensen and Wayne Hedberg - OGM

Purpose of Meeting: To discuss preliminary plans and reclamation priorities for use of the forfeited reclamation funds held for the abandoned Knolls Solar Pond Project area.

On January 29th, Doug Jensen and I met with the above referenced BLM personnel at the Salt Lake Field Office to determine how best to spend the forfeited \$110,000 surety bond on reclamation of the abandoned Knolls Solar Pond facilities. Stan Perkes stated that he has had a couple different parties contact him who have expressed an interest in using certain portions of the abandoned ponds; however, none have followed up and filed any applications yet. He said he would contact them again to see if there is any continued interest. Mr. Carpenter said he did not want to do anything that might permanently preclude the site from any potential future mineral development activities.

Mr. Carpenter stated that the BLM would most likely want to maintain ownership and use of the fenced office and shop complex. They would probably use it as a seed storage facility especially during the fire season. There is also a water well that Magcorp pumped to provide water to this facility. It is apparently located some distance away in/or near the Grayback gravel pit. The BLM may have a continuing use for this well also.

We brainstormed some ideas and Mike Nelson made a list of those areas that presented the most serious public safety concerns at the site. The list included the following items:

1. Signage and gate locks. Glenn suggested that warning signs (government property &/no trespassing signs, etc.) be installed at all entrance points onto the property and that new BLM locks be placed on the existing gates. He asked his staff to look into the availability of these signs and to purchase replacement locks right away. He believed they could charge these expenses against current operating budget and then back-charge for reimbursement later to the forfeited bond account. We discussed the need to secure the fenced office and shop building (change the locks) to prohibit unauthorized entry and minimize vandalism.
2. Fill in the sump (or pump it out) at pump station #5. Probably want to test the residual fluids first for possible use by BLM (or others) for use in road dust suppression actions.
3. Backfill the narrow end of the six mile long inlet ditch and close the gate into pond 0. This will allow the water in this ditch to evaporate which will eventually fill the ditch with salt.
4. Cut the steel staircase off from the steel grated platform over sump the #1 pump station, and add a chainlink fence around the platform.
5. Move barrels of oil (presumably) from #1 pump station to secured storage and then have BLM Hazmat crew test the contents.
6. Gate and fence improvements. Propose to add new BLM locks and extend fenced wings, large rock barriers, or "tank-traps" out from the gates as required, to restrict unauthorized public entry. Doug suggested possibly moving one of more of the gates to a location closer to the actual mine proper rather than leave them where they are presently located.
7. Cut off the residual exposed 24 inch pipe ends, or weld steel rods over the open ends to eliminate the public safety hazard near pump station #5.

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8. Contact Danny Bauer (now with Broken Arrow Company) about removing the abandoned drag-line left on the property. Apparently it may belong to them. Mike Ford agreed to draft a letter in this regard.
9. If it cannot be otherwise sold or utilized by outside vendors, the BLM may choose to use some of the residual magnesium-chloride fluids in the ponds and sumps themselves during the upcoming fire season. BLM will test the material first for purity before a final decision is made.
10. Block unauthorized access to the finish pond area dikes by digging "tank traps".
11. Move scrap metal from areas around pump stations to an area near the office and shop complex for possible removal by the BLM in the future.

As a cost reducing measure, we discussed the possibility of utilizing State or Federal Government equipment and personnel to avoid outside contracting costs. We could back-charge against the forfeited bond account to the extent necessary to recover pertinent costs. Glenn said that they had most of the required equipment available and the personnel to operate. We agreed to check with our respective agencies to determine potential conflicts or other unforeseen problems that might prevent us from proceeding in this manner.

We also discussed the probable need for a Memorandum of Agreement (MOA) for transfer of funds and expenditures between OGM and the BLM as project work proceeds. Mike Nelson agreed to contact their accounting and contract management personnel to locate an existing MOA that we might use as a model. I agreed to contact our accounting department to pursue a similar sample agreement as well.

No date or timeframe was established to get back together at the conclusion of the meeting. It was inferred that we would get back in touch with each other as soon as we had further information to proceed to the next step.

DWH:jb

cc: Glenn Carptnter, BLM  
Mary Ann Wright, DOGM  
Steve Alder, AAG  
Tom Munson, DOGM

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